

# Performance-Based Teacher Pay

By

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Teacher Excellence through Compensation

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# Chicago Conference

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- ◆ New Directions in Teacher Compensation and Evaluation
- ◆ November 20-21, 2002
- ◆ [www.wcer.wisc.edu/cpre](http://www.wcer.wisc.edu/cpre)

# CPRE Materials and Cases

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- ◆ Same web site
  - Go to Compensation
  - Research and cases
- ◆ Also, Odden & Kelley, *Paying Teachers for What They Know and Can Do*, Corwin, 2002

# Teacher Excellence Through Compensation (TEC)

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- ◆ Compensation consulting firm in Lake Bluff, Illinois
- ◆ Marc Wallace and Allan Odden
- ◆ [marcwallace@comcast.com](mailto:marcwallace@comcast.com)
- ◆ 847 373 1600    847 735 9468

# Four Strategic Reasons for Addressing Teacher Pay Systems

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- ◆ Key part of state school finance program
- ◆ Puts more rigor into efforts to build a teaching profession
- ◆ Reinforces goals and strategies of standards-based education reform
- ◆ Garneres policy and public support to hike teacher salaries to competitive salary benchmarks
- ◆ A win-win for the state, teachers and students

# The Link to the School Finance Allocation Structure

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- ◆ Washington school finance system calculates numbers of teachers
- ◆ Then uses a steps and lanes salary schedule to “price” each teacher
- ◆ Problem:
  - Neither years of experience nor education degrees are strongly linked to teacher effectiveness
  - Post BA individuals entering teaching not eligible for all lane units
  - Provides no clear career path for teachers; defines no stages of professional growth; no “fast track” mechanism

# Injecting Rigor into Teacher Professionalism

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- ◆ Washington's two tier licensure system is based on measures of teacher performance which is not now reflected in salary allocation structure
- ◆ Measuring teacher performance – can be done – puts a nice clean/clear professional edge into efforts to strengthen teaching and when attached to consequences – licensure, pay increase – requires system to strengthen professional development, teacher evaluation, principal leadership, etc.

# Reinforces Standards-Based Education Reform

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- ◆ Prime factor linked to improved learning is better instruction
- ◆ So change evaluation and professional development systems to reinforce continued acquisition and deployment of standards-based instructional practices
- ◆ Alter pay system to provide the largest pay increases when teachers' acquire instructional practices linked to improvements in student learning—
  - Fiscal incentives to keep teachers who do this in the system and to discourage those who do not
  - Higher pay when teachers have instructional practice research shows produces larger student learning gains



# Performance Pay Garnerers Public Support to Raise Teacher Salaries

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- ◆ Teacher salaries below competitive labor market benchmarks in most places
  - Lower teacher quality
  - Shortages in areas such as math, science, technologyh
- ◆ Need more money to raise salary levels
- ◆ The public likes performance pay as a vehicle for raising salaries but is skeptical of putting more money into current steps and lanes structures

# Creates a Win-Win for the State, Teachers and Students

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- ◆ The state (and local districts) get more for their compensation dollars
  - Higher teacher quality
  - More student achievement
- ◆ Teachers earn a higher pay level
- ◆ Students have the benefit of more highly skilled teachers and achieve to higher performance levels.

# Elements of Pay

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- ◆ Base pay = the monthly check:
  - Beginning pay
  - Base pay progression – **KS v. exp. and ed.**
  - Top pay
- ◆ Variable pay = bonus based on measures of improved organizational performance (AYP)
- ◆ Base pay plus variable pay = total cash compensation

# An Example from Steamboat Springs (CO): The Old Schedule Adjusted to 2002-2003

1.045	New Market Structure									
	Option B 2002-2003									
Step	BA Entry	BA + 15	BA + 30	BA + 60	MA Entry	MA + 15	MA + 30	MA + 60	MA + 90	ED Entry
1	\$29,075	\$30,205	\$31,336	\$32,466	\$33,597	\$34,336	\$35,075	\$35,814	\$36,553	\$37,292
2	\$29,987	\$31,129	\$32,271	\$33,413	\$34,555	\$35,315	\$36,075	\$36,835	\$37,596	\$38,356
3	\$30,898	\$32,052	\$33,205	\$34,359	\$35,513	\$36,294	\$37,075	\$37,857	\$38,638	\$39,419
4	\$31,810	\$32,975	\$34,140	\$35,305	\$36,471	\$37,273	\$38,075	\$38,878	\$39,680	\$40,482
5	\$32,721	\$33,898	\$35,075	\$36,252	\$37,429	\$38,252	\$39,075	\$39,899	\$40,722	\$41,546
6	\$33,633	\$34,821	\$36,010	\$37,198	\$38,387	\$39,231	\$40,076	\$40,920	\$41,765	\$42,609
7	\$34,545	\$35,745	\$36,945	\$38,145	\$39,345	\$40,210	\$41,076	\$41,941	\$42,807	\$43,672
8	\$35,456	\$36,668	\$37,879	\$39,091	\$40,303	\$41,189	\$42,076	\$42,962	\$43,849	\$44,736
9	\$36,368	\$37,591	\$38,814	\$40,037	\$41,260	\$42,168	\$43,076	\$43,984	\$44,891	\$45,799
10	\$37,279	\$38,514	\$39,749	\$40,984	\$42,218	\$43,147	\$44,076	\$45,005	\$45,934	\$46,862
11	\$38,191	\$39,437	\$40,684	\$41,930	\$43,176	\$44,126	\$45,076	\$46,026	\$46,976	\$47,926
12	\$39,103	\$40,361	\$41,618	\$42,876	\$44,134	\$45,105	\$46,076	\$47,047	\$48,018	\$48,989
13	\$40,014	\$41,284	\$42,553	\$43,823	\$45,092	\$46,084	\$47,076	\$48,068	\$49,060	\$50,053
14	\$40,926	\$42,207	\$43,488	\$44,769	\$46,050	\$47,063	\$48,077	\$49,090	\$50,103	\$51,116
15	\$41,837	\$43,130	\$44,423	\$45,716	\$47,008	\$48,042	\$49,077	\$50,111	\$51,145	\$52,179
16		\$43,993	\$45,311	\$46,630	\$47,790	\$48,842	\$49,893	\$50,944	\$51,996	\$53,047
17			\$46,218	\$47,562	\$48,572	\$49,641	\$50,709	\$51,778	\$52,846	\$53,915
18				\$48,514	\$49,354	\$50,440	\$51,525	\$52,611	\$53,697	\$54,783
19					\$50,136	\$51,239	\$52,342	\$53,445	\$54,548	\$55,651
20					\$50,918	\$52,038	\$53,158	\$54,278	\$55,398	\$56,519
21					\$51,361	\$52,492	\$53,624	\$54,755	\$55,886	\$57,017
22					\$51,805	\$52,947	\$54,089	\$55,231	\$56,373	\$57,516
23					\$52,248	\$53,401	\$54,555	\$55,708	\$56,861	\$58,014
24					\$52,692	\$53,856	\$55,020	\$56,184	\$57,348	\$58,513
25					\$53,135	\$54,311	\$55,486	\$56,661	\$57,836	\$59,011
26					\$53,579	\$54,765	\$55,951	\$57,137	\$58,323	\$59,510
27					\$54,022	\$55,220	\$56,417	\$57,614	\$58,811	\$60,008
28					\$54,466	\$55,674	\$56,882	\$58,090	\$59,298	
29						\$56,129	\$57,348	\$58,567	\$59,786	
30							\$57,813	\$59,043	\$60,273	

# New Steamboat KSBP Salary Structure and Schedule

		MA+90/ED			
		BA	MA	MA+30	D
	Step				
Entry	1	\$29,075	\$32,564	\$34,309	\$36,053
Basic	1	\$30,478	\$34,192	\$35,964	\$37,792
	2	\$31,880	\$35,820	\$37,619	\$39,531
Career	1	\$33,283	\$37,448	\$39,274	\$41,271
	2	\$34,685	\$39,075	\$40,929	\$43,010
	3	\$36,088	\$40,703	\$42,584	\$44,749
	4	\$37,491	\$42,331	\$44,239	\$46,488
	5	\$38,893	\$43,959	\$45,894	\$48,227
	6	\$40,296	\$45,587	\$47,549	\$49,967
	7	\$41,698	\$47,215	\$49,204	\$51,706
	8	\$43,101	\$48,842	\$50,859	\$53,445
Master	1	\$44,503	\$50,470	\$52,514	\$55,184
	2	\$45,906	\$52,098	\$54,169	\$56,923
	3	\$47,309	\$53,726	\$55,824	\$58,663
	4	\$48,711	\$55,354	\$57,479	\$60,402
Advanced	1			\$58,889	\$61,907
	2			\$60,299	\$63,411
	3			\$61,709	\$64,916
	4			\$63,119	\$66,420
	5			\$64,529	\$67,925

# Additional Knowledge and Skills

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## ◆ For permanent pay increases:

- License in a second subject
- License in a shortage area -- mathematics, science, technology, high poverty school
- Masters in area of license, or just content area
- Expertise for a comprehensive school design

## ◆ For leadership roles

- lead teacher, curriculum council chair, peer assessor, school mentor/coach/instructional facilitator

## ◆ Plus 3-5 % bonus for improve student performance

# Recommended New Idaho Schedule

Skill Level	Step Within Level	Salary	Percent Step	Dollar Step	Schedule (BA Step 1 to BA +24 Step 10)
Entry	1	\$25,000			\$25,000
	2	\$25,500	2.0%	\$500	
	3	\$26,010	2.0%	\$510	
Professional 1 CWE 2	1	\$29,261	12.5%	\$3,251	
	2	\$29,846	2.0%	\$585	
	3	\$30,443	2.0%	\$597	
Professional 2 CWE 3	1	\$34,249	12.5%	\$3,805	
	2	\$34,934	2.0%	\$685	
	3	\$35,632	2.0%	\$699	
	4	\$36,345	2.0%	\$713	
	5	\$37,072	2.0%	\$727	
Advanced, CWE 4	1	\$41,706	12.5%	\$4,634	
	2	\$42,540	2.0%	\$834	
	3	\$43,391	2.0%	\$851	\$36,102
MOST	1	\$48,815	12.5%	\$5,424	
	2	\$49,791	2.0%	\$976	
	3	\$50,787	2.0%	\$996	
Percent Increase for Skill Level		12.5%			
Percent Increase for Steps		2.0%			
Adder for MA (Restricted to area of licensure)		2.5%			
Adder for MA +30 (Restricted to area of licensure)		2.5%			
Adder for Doc		3.0%			
Adder for Critical Skill Areas		5.0%			
Salary for Doc (Step 3, Advanced)		\$46,955			

# Proposed 2003 Arlington KSBP Schedule

Revised 2003-2004 T Scale - KSBP							
Year	Skill Level	Step	Bach	Bach +15	Masters	Masters +30	Doct
1	Level 1	A	\$37,007	\$38,857	\$40,800	\$42,840	\$44,982
2		B	\$37,562	\$39,439	\$41,412	\$43,483	\$45,657
3		C	\$38,125	\$40,031	\$42,033	\$44,134	\$46,342
4		D	\$40,031	\$42,032	\$44,134	\$46,341	\$48,659
5	Level 2	E	\$42,032	\$44,133	\$46,341	\$48,658	\$51,092
6		F	\$44,133	\$46,340	\$48,658	\$51,091	\$53,647
7		G	\$46,340	\$48,657	\$51,091	\$53,645	\$56,330
8		H	\$48,657	\$51,090	\$53,645	\$56,327	\$59,146
9	Level 3	I	\$51,090	\$53,644	\$56,327	\$59,144	\$62,103
10		J	\$53,644	\$56,326	\$59,144	\$62,101	\$65,208
11		K	\$53,644	\$59,143	\$62,101	\$65,206	\$68,468
12		L	\$53,644	\$62,100	\$65,206	\$68,465	\$71,891
13		M	\$53,644	\$65,205	\$68,465	\$71,889	\$75,485
14		N	\$53,644	\$68,464	\$71,889	\$75,483	\$79,259
15-16	Level 4	L1	\$54,985	\$70,176	\$73,686	\$77,370	\$81,241
17-18		L2	\$56,360	\$71,930	\$75,528	\$79,304	\$83,272
19-20	Level 4	L3	\$57,769	\$73,729	\$77,416	\$81,287	\$85,354
21-22		L4	\$59,213	\$75,572	\$79,351	\$83,319	\$87,487
23-24	Level 4	L5	\$60,692	\$77,461	\$81,335	\$85,403	\$89,675
25-26		L6	\$62,209	\$79,398	\$83,368	\$87,538	\$91,917



# Performance pay for teachers

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- ◆ An idea whose time has come
- ◆ Far beyond old ideas of individual merit pay
- ◆ Numerous new types of pay elements
  - knowledge and skills based on individual teacher performance, variable bonuses based on improved student performance, higher pay for shortage areas and hard to staff schools, National Board Certification
  - Also, signing bonuses, housing supplements, moving expenses, restricting MA to just area of licensure, leadership roles, etc.
- ◆ Changes are broad, deep; are expanding and sticking; developing in large, small, urban, rural, low and high performing districts, and in public and private schools

# Three primary performance pay elements:

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- ◆ Knowledge and skills-based pay (KSBP) – provide **base pay increases** mainly on increases in instructional expertise, i.e., teacher knowledge and skills – focus of presentation
- ◆ “Adders” for subject area shortages and working in high poverty/low performing school
- ◆ School-based performance award programs – annual bonuses for improved student performance

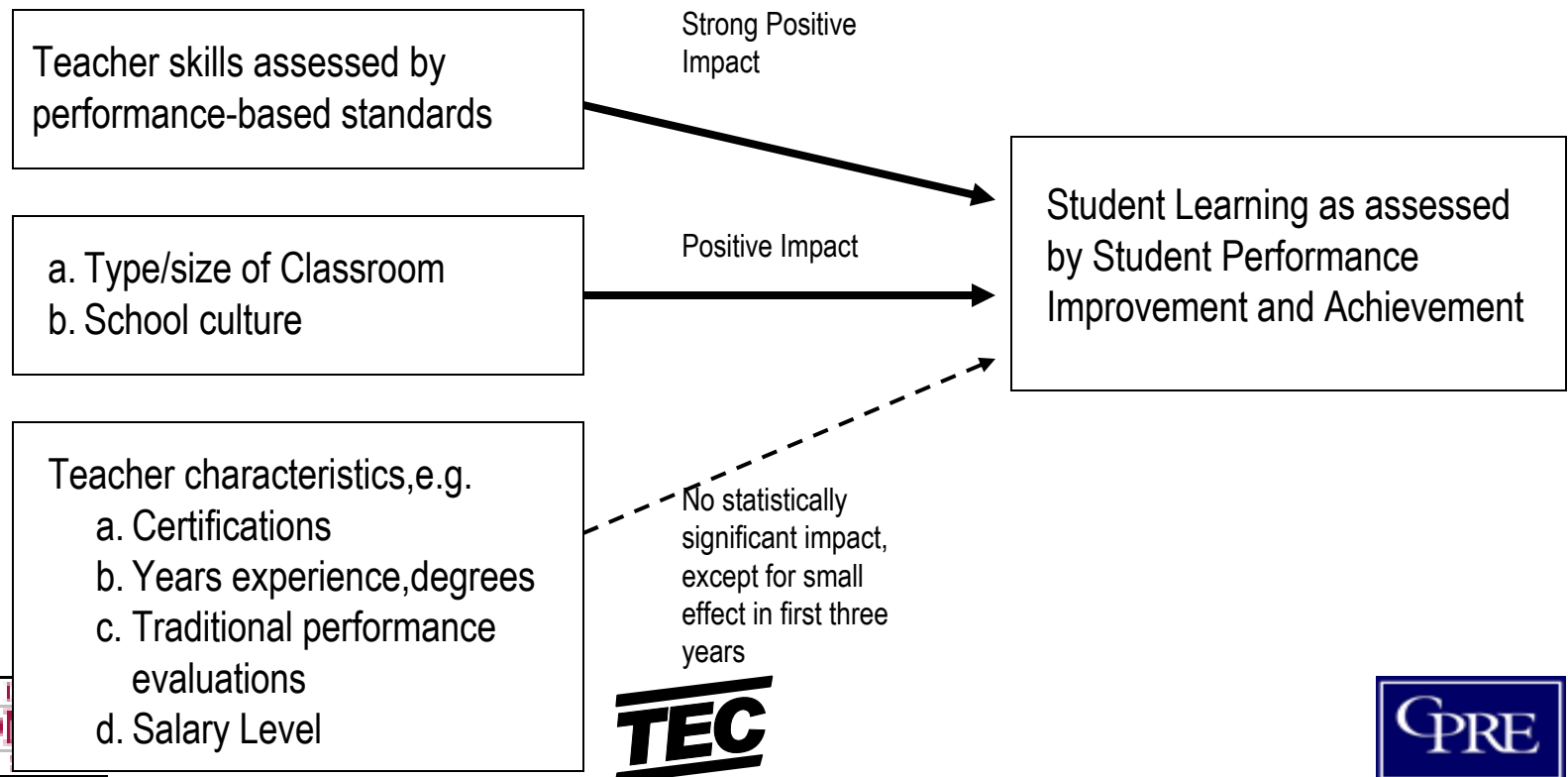
# What is Needed for Knowledge and Skills-Based Evaluation/Pay

- ◆ Identification of what good teaching is, the knowledge and skills to do it, or teaching standards linked to student standards and teacher career stages
- ◆ A professional development strategy to help teachers acquire and deploy that instruction
- ◆ Performance evaluation/assessment of knowledge and skills -- how to assess and who should do it
- ◆ Linkage to a salary schedule – previous examples

# Why should we use performance-based standards to assess skills and define skill levels?

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Empirical research demonstrates that teacher skills (assessed in a standards-based way) have the single greatest on student learning...



# What Teaching Standards and Performance Evaluations Exist

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- ◆ PRAXIS III type – observation of basic instruction
- ◆ Connecticut curriculum portfolio based
- ◆ TEC adaptation of Connecticut portfolio approach
- ◆ Danielson's Framework for Teaching
- ◆ National Board for Professional Teaching Standards
- ◆ Virtually all of the above have been validated
- ◆ Other state or locally developed

# Adopt a System of Standards and Rubrics that Can be Validated

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- ◆ Two primary approaches:
  - Set of detailed standards – 66 – assessed through multiple data sources and multiple classroom observations – PRAXIS III, Danielson's Framework
  - Data gathered around an instructional portfolio linked to teaching a 10 day or so curriculum unit, using videotapes rather than direct observations – National Board, Connecticut, Indiana, TEC

# Which Approach to Take?

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- ◆ Both can be validated – higher scores linked to greater gains in student academic achievement
- ◆ The observation approach is more labor intensive, and usually requires at least two evaluators, so is more expensive to operate
- ◆ The video tape approach is a bit more demanding for teachers, but more efficient to administer, and can be digitized to make it even more efficient
- ◆ Recommendation: mostly video tape but could supplement with observations

# Assumptions and Frame for KSBP

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- ◆ Instruction is a key factor in producing student learning
- ◆ So higher levels of student learning produced by improved instruction
- ◆ From expectancy theory, KSBP programs provide incentives to teachers to enhance their instructional repertoire, hopefully enhancing motivation to improve instructional expertise in line with a systemic vision – hopefully evidence-based – of effective instruction
- ◆ By linking pay to KS, the salary structure will reinforce motivation, plus attract and retain teachers who develop the desired instructional practice, and discourage those that do not
- ◆ Result: better instruction and improved learning



# So to work, KSBP must

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- ◆ Identify instructional strategies that do produce improved learning: teaching standards
- ◆ Create a performance assessment system, with 3-5 levels, that is valid, reliable and fully implemented
- ◆ Align other HR systems – PD – around the new vision of instruction so teachers have opportunities to learn and enhance their practice

# And if KSBP works, one could document:

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- ◆ Increased teacher access to professional development opportunities to learn new instructional practices
- ◆ Increased teacher motivation to learn and use the new instructional practices
- ◆ Changed and improved instructional practice
- ◆ Statistical linkages between higher teacher performance as measured by the evaluation system and improved student learning

# Emerging research results from:

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- ◆ Studies of operation and impact of knowledge and skills-based performance evaluation systems without links to pay – Reno, Newport News, Anoka Hennepin
- ◆ Studies of operation, implementation and impact of knowledge and skills-based evaluation systems with links to pay – Cincinnati, Vaughn, Philadelphia

# Overall Finding

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- ◆ The vision of instruction, the new evaluation system, the professional development systems are all HUGE improvements from past practice
- ◆ There are several important, positive impacts, including multiple HLM and value-added analyses showing linkages between evaluation scores and valued added learning
- ◆ Improvements can be made but we technically can develop fair, reliable, and valid performance evaluation systems on which to base performance pay systems

# Key Impacts

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- ◆ Hard evidence in three places – Cincinnati, Vaughn, Washoe – of positive linkages between evaluation scores and value added student learning growth – so **systems are valid – a major finding**
- ◆ Other behavioral impacts
  - More reflection on instructional practice, especially to focus on individual student needs
  - More attention to student content standards
  - More work to develop “standards-based” lesson plans
  - More attention to planning lessons

# Impacts, continued ....

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- Acceptance of the standards by nearly all teachers and belief that the standards reflect what teachers do and are fair
- Stronger acceptance by new teachers – gives them some help on basic instructional and classroom management strategies and they more inclined to mold themselves to a district vision of instruction

# Developing 2<sup>nd</sup> Generation Programs

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- ◆ First, get clarity on the key elements of quality instruction, including content specific teaching – link to strategies embedded in literacy and numeracy initiatives, if district/state has
- ◆ Second, create a core professional development program around that vision to systematically improve teacher quality – focused, specific pd
- ◆ Third, design an evaluation/assessment system that is clearly and specifically linked to the content and focus of the professional development, and that provides 4-5 different levels of performance

# A suggested approach .....

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- ✓ Adopt a four level scoring rubric:
  - ☐ 0 – Entry level
  - ☐ 1 – Basic
  - ☐ 2 – Emerging Career
  - ☐ 3 – Career
  - ☐ 4 – Master
  
- ✓ Can use National Board certification as something extra, or have a “Fellow” level above Master



## Score Link to KSBP Plan

Entry	Brand New Teacher	Initial License
Basic	Novice teacher	Pass a PRAXIS III observation type evaluation
Emerging Career	Professional License	Score of 2
Career	Solid Professional	Score of 3
Master	Advanced Skills	Score of 4

# More Generalized KSBP Model

Performance Standard	Performance Level
State/district “Fellow”	<b><i>Board Certification</i></b> , 3 steps Extra 15-20 %
Master	<b><i>Advanced</i></b> , 3 steps \$78,000-87,000
Career	<b><i>Proficient</i></b> , mastery of content specific pedagogy, 4 steps \$65,000-75,000
Fully Licensed Professional	<b><i>Emerging Career</i></b> , 4 steps, \$52,500-62,500
Basic	<b><i>Basic</i></b> , 3 steps, max of 5 years \$42,500-50,000
Entry, Initial Licensure	Max of two years \$40,000

# A Two Track

## Full KSBP + Leadership Model

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Performance Standard	Performance Level	Leadership Track
National Board	Board Certified	School-wide Coach, Mentor
Master	Advanced	Team Leader
Career	Proficient, solid professional	Proficient
Professional License	Beginning Professional	Beginning Professional
Apprentice	Basic	Basic
Novice	Beginning	Beginning

# An Add-On Approach

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Steps	BA	MA	MA +	Knowledge and Skills
1				Developing Professional + 5%
2				Proficient + 10%
				Advanced + 15%
n				Fellow/National Board Certified + 20%

# What's Needed for “Adders”

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- ◆ Adders for shortage areas, hard to staff schools, degrees, etc.
- ◆ Market analyses of competitive salaries, both public and private sector
- ◆ Teachers v. teachers in other districts, states, regions; v. occupations with similar skills and/or similar tasks; v. opportunities outside of education at both entry and career stages
  - Entry salaries – all teachers, secondary math, science, technology, all special education
  - Average salaries – all teachers, secondary math, science, technology, all special education

# Salary Benchmarking Needed

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- ◆ All new structures need salary benchmarking to identify salary levels needed to compete for educator talent in the labor market
- ◆ Benchmark to competitive districts, states, job areas, subject areas, public and private sector labor markets
  - Beginning, mid-career and top salaries
- ◆ Both **structure** of teacher pay – knowledge and skills – and **level** of pay – market competitive – must change to recruit and retain high quality teachers

# Top Off with School-Based Bonus Program

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- ◆ Annual bonus – for both licensed and support staff
- ◆ Between \$1000 and \$3000 per teacher, or 3-5 percent of salary
- ◆ Triggered by increases in student performance, largely measures of academic achievement

# What's Needed for SBPA Programs?

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- ◆ Identify core goals – usually, student achievement in core academic subjects
- ◆ Measure performance – tests aligned across grades
- ◆ Calculate improvements in performance and align with NCLB
- ◆ Select improvement targets
- ◆ Set incentive levels: minimum, target, top
- ◆ Fully fund in advance
- ◆ Provide system enablers to help all teachers in all schools improve student performance



# Research on SBPA Programs

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- ◆ Enhances teacher awareness of core goals
- ◆ Helps teachers channel time and effort towards increasing student academic performance
- ◆ Stimulates collaborative work among teachers
- ◆ Works better when lots of professional development, principal leadership
- ◆ Need bonuses in range of \$1000-3000/teacher
- ◆ Secure, forward funding to solidify “trust”

# Performance Pay for Teachers

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- ◆ Rather than provide pay increases for years of experience and education units, and nothing on student achievement --
- ◆ Provide major pay increases for enhanced knowledge, skills, instructional expertise
  - Incentives for shortage areas, low performing schools
- ◆ Pay teachers individually for what they know and can do
- ◆ Top off with school-based bonus for improving student performance
- ◆ Pay teachers collectively for what they produce in terms of increased student performance